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COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT
FOR THE CONDUCT OF FOREIGN POLICY

2025 M STREET, N.W.
WASHINGTON, D.C. 20536

May 28, 1975

MEMORANDUM FOR COMMISSIONERS

FROM: Robert D. Murphy, Chairman

SUBJECT: Intelligence and White House

In view of our continued discussions concerning the Commission's positions on the intelligence section of our report, it became apparent at the close of our meeting yesterday that we would have to meet next week if we are to have a draft of the final report ready for consideration during the meeting now scheduled for June 9 and 10. Accordingly, I am asking you to mark down Tuesday, June 3, for a one-day meeting to begin at 9:30 a.m. in Room EF-100, Capitol Building. The Congressional members of the Commission will be returning from their Memorial Day recess on that day, and I am setting aside the entire day for final discussions on (1) the intelligence report and (2) the Commission's position on White House organization.

These subjects have already consumed a large amount of the Commission's time. They are, as you know, interrelated to several other sections of the report and final decisions on them are essential before we can proceed to organize the final draft.

If you are unable to attend the meeting on next Tuesday, June 3, I must ask that you have someone at the meeting who would be in a position to relate your views to the other Commissioners. It would be most helpful if these views could be expressed in response to the specific question in the enclosed memoranda.

Enclosures

Intelligence Issues Requiring Commission Decision

I: A Director of National Intelligence (DNI)

Does the Commission support the recommendation for a new official assigned to perform the Community-wide leadership role which, until now, has been one of the two assignments given the DCI?

If so, should the DCI:

- have cabinet rank? be in the Cabinet?
- be physically located in proximity to the White House?
- be confirmed by the Senate?
- be drawn from outside the intelligence community?
- have direct control over the IC staff?
- have direct control over the NIE staff?
- be a member of the NSC?
- chair the NSCIC?
- brief the NSC?
- determine (with advice of others) intelligence priorities for the community?
- prepare a community - wide budget consistent with those priorities?
- be titled otherwise: Director of National Estimates, or
Director of Intelligence Evaluation, or
Assistant to the President for
Intelligence Review?

If the Commission does not support the creation of such an official, what changes, if any, does it propose in the role or authority of the DCI?

II: The CIA

Does the Commission wish to propose:

- A. 1. Maintenance of the CIA as is?
- 2. Maintenance of the CIA as is, but with a different name?
- B. 1. Division of the CIA into two agencies; one for clandestine and "overhead" functions, another for analysis and the production of reports?
- 2. Division of the CIA into two agencies, one for clandestine activities, another for "overhead" plus analysis and production of reports?
- 3. Division of the CIA into two agencies, one for covert action, another for other clandestine collection plus overhead, analysis and production?
- C. 1. Removal of paramilitary responsibilities from the CIA and lodging them in DOD?
- 2. Removal of paramilitary responsibilities from the CIA, without specification of where they go?
- 3. No reference to paramilitary?

III: Defense Intelligence

Does the Commission wish to propose:

- A. 1. Abolition of DIA?
- 2. Strengthening of DIA (how?)?
- 3. No reference to DIA?
- B. 1. Creation of a Director of Defense Intelligence with line responsibility?
- 2. Maintenance of an Assistant Secretary of Defense for Intelligence, with staff responsibility?
- 3. No reference to either?

II. B. 2. ALTERNATIVE

Maintenance of CIA as is except that clandestine services (clandestine collection and covert action) are separated and put in a semi-autonomous agency under the Director of CIA (comparable to ACDA/State).

COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT
FOR THE CONDUCT OF FOREIGN POLICY

2025 M STREET, N.W.
WASHINGTON, D.C. 20506

May 28, 1975

MEMORANDUM

SUBJECT: White House Organization: Key Issues

The enclosed memoranda focus on the central issues the Commission must address in respect of the White House organization:

- A. Organizing State Department and White House
Memorandum of May 8, setting forth the criteria and the alternative structures.
- B. Notes on Commission Discussion of (A),
May 12, 1975
- C. Summary List of Alternative Patterns

Enclosures

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COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT
FOR THE CONDUCT OF FOREIGN POLICY

2025 M STREET, N.W.
WASHINGTON, D.C. 20036

May 8, 1975

MEMORANDUM FOR COMMISSIONERS

FROM: Francis O. Wilcox, Executive Director

SUBJECT: Organizing State Department and White House

As a final item for your consideration prior to the meeting on Monday, May 12, I enclose a paper by Peter Szanton designed as background for our discussion of organizing the State Department and the White House for effective foreign policy integration.

This is the paper the staff promised to prepare last time at the Commission meeting.

Enclosure

COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT
FOR THE CONDUCT OF FOREIGN POLICY

2025 M STREET, N.W.

WASHINGTON, D.C. 20506

May 8, 1975

MEMORANDUM FOR COMMISSIONERS

FROM: Peter L. Szanton

SUBJECT: A Central Structure for Policy Integration:
Organizing the State Department and the White House

As background for the discussion of alternative means of providing for the central coordination and management of foreign policy, this memo (a) reviews the positions already taken by the Commission concerning the organization of the State Department and the White House; (b) suggests several criteria against which alternatives White House structures might be measured, (c) proposes a number of alternative structures and compares them against those criteria; and (d) notes some important additional questions which will remain to be answered after decisions on organizational form have been made.

What positions have been taken? The Commission has expressed itself on two relevant questions. One is a dominant organizational principle: that as much responsibility as possible should be focused on Cabinet and sub-Cabinet officials operating within departmental structures or, more typically, in interagency coordinating mechanisms. The reasons appeared to be four: (1) To avoid the bottleneck of a centralized decision structure dependent on a very small number of individuals at the top. (2) To place responsibility in the hands of those with greatest substantive understanding. (3) To encourage Cabinet and sub-Cabinet officials to come to terms with the perspectives of other departments and thus to broaden their own views. (4) To place decision-making in the hands of those who will control implementation.

The second position already taken concerns the State Department. The Commission appears to have accepted the view that the State Department is not now adequately organized and staffed to deal as an equal with the Department of Defense on national security issues or with the Treasury and other departments on foreign economic questions. Accordingly, in its review of the National Security and Economics papers the Commission has tentatively approved a number of changes in the organization of the Department of State. In their main lines these are clear from tables 1 and 2. The first shows the State

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Department as currently organized. It reflects two key points about the Department: that it is dominated by its regional bureaus, and that there are few clear-cut lines of command within the Department except from everyone to the Secretary. Table 2 presents the implications of the organizational reforms embodied in the National Security and Economic drafts and, to a lesser extent, in pending proposals not yet considered by the full Commission. The main effect of these changes -- see especially those in darker outline -- is to clarify and strengthen the two key functional responsibilities of the Department, those for political-military affairs and foreign economic policy. The first is made the principal responsibility of an Under Secretary to whom an augmented Bureau of Political-Military Affairs directly reports. The economic function is reorganized so as to bring together, under the direct control of an Under Secretary for Economic and Scientific Affairs, the Economics Bureau, the new Oceans, Environment and Science Bureau, and International Energy, Food and Population, and Transportation and Communication offices.

These changes would equip the central and most nearly "Presidential" foreign policy department to deal on a more equal footing with the two parallel departments most deeply involved in foreign policy, and would thereby make possible the resolution and management of a larger number of inter-agency issues at levels below the White House. But they by no means solve the problems of policy integration or presidential decision making. Many issues will continue to come to the President. On some the departments will not be able to agree. As to others, the President will wish to reserve the decisions for himself. The more important the issue, the more likely are intractably departmental differences and presidential concern. Moreover, since the foreign policy problems of the future seem increasingly likely to cut across departmental lines, involving large numbers of interests, foreign and domestic, the tasks of resolving conflicts and insuring the integration and coherence of policy are likely to prove even harder than in the past. A significant and perhaps growing number of issues will therefore require resolution at the White House level.

Organizing the White House: Criteria. The role in which peripheral offices in the Executive Office of the President may play in the management of these issues has begun to be suggested. The task assigned the Council of Economic Advisors in the Economics report is one example. The role suggested for the President's Science Advisors in the paper by Professor Nye, to be considered at the meeting

of May 19th, presents another. But little consideration has yet been given by the Commission to the main structure for the management and resolution of foreign policy issues at the level of the President. A number of alternative such structures have been set before the Commission at one time or another, and these are listed and discussed below. Before dealing with them, however, it may be useful to set out some of the criteria against which these alternatives might appropriately be measured.

One of the two main themes of the Commission's testimony, studies and deliberations had been that, while national security concerns will remain central to foreign policymaking, they are not likely to so dominate foreign policymaking as they did in the 1940s and '50s when the current decision-making structure (in particular the NSC) was established. Accordingly, it should be one criteria for measuring the value of alternative White House structures that they reflect the breadth of foreign policy concerns, specifically including economic policy.

A second major theme of the Commission's proceedings has been that, increasingly, the distinction between "foreign" and "domestic" problems is eroding; it may be more useful in the future to think simply of "policy" issues - most of which, if they are important, will have both foreign and domestic implications. Energy, inflation, the use of the oceans, the drug problem are all, in different ways, examples of such issues. Accordingly, a second criteria might be that the system should reflect the growing interaction of foreign and domestic concerns.

A third criteria, consistent with the philosophy that the authority and responsibilities of the Cabinet departments should not be undermined, is that the White House structure lend itself to performance of staff rather than line or command functions.

A fourth important characteristic of the White House structure might be the degree to which it concentrates rather than disperses staff responsibility just below the President.

And a final criterion might be termed "manageability": the degree to which the proposed structure is relatively large and cumbersome or relatively simple and efficient.

There are clearly other important characteristics of a White House decision structure. Among these are the ability to devote attention to longer range issues so as better to

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anticipate events; the capability to identify early those issues which need Presidential attention; the capacity to insure that alternative courses of action are presented in a fair and orderly way for Presidential consideration; the ability to monitor implementation of policy and to evaluate results; and a characteristic which underlies all the others -- the nature and number of staff associated with the structure. But though important, these characteristics do not pose useful criterion for assessing the comparative merits of the alternative structures; they are characteristics which may be built in to any of the structures in greater or lesser degree.

Alternative Structures. Table 3 presents a simple matrix in which seven possible organizational patterns are measured against these various criteria. The seven fall into three categories. Two of the seven are what might be called "three-part systems." That is, they organize separately for national security and foreign policy concerns; for foreign economic policymaking, and for domestic policy. These are (1) the Current System, utilizing an NSC, a CIEP (or equivalent), and Domestic Council; and (2) the alternative labeled NSC Expanded A, which represents the current system amended by making the Secretary of the Treasury a statutory member of the NSC.

The second category embraces three two-part systems, that is systems in which foreign economic policy is subsumed under a general foreign policy decision structure, with only the domestic decision-making remaining autonomous. The first of the two-part systems, called NSC Expanded B, is identical to A except that here the principal staff assistant to the President for foreign economic policy is a deputy to the National Security Advisor, and consequently brings foreign economic policymaking under the National Security machinery. The second two-part structure, called Vice President, Foreign Affairs, is the system advocated by Milton Eisenhower. It established two constitutional Vice Presidents, one to integrate foreign policymaking on behalf of the President, the other similarly responsible for domestic issues. The third two-part system is entitled First Secretary and involves the creation of a new senior official superior in authority to the Secretaries of State, Defense and Treasury and subject to Senate confirmation, but having no constitutional status, whose task similarly would be to develop coordinated presidential policies to be administered by the Cabinet departments.

The final category of systems can be described as "unitary." Responding to the growing merger of foreign and domestic issues,

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these systems use a single structure to deal with them. The first, entitled Cabinet, would involve the use of the full Cabinet as a senior policy council, with the significant change from current practice that to support the President and the Cabinet members in this forum there would be created a Cabinet staff integrating NSC, CIEP, and Domestic Council Staffs into a single entity directed by a Cabinet Secretary. The second version of a unitary system is drawn from the article by General Taylor sent to members earlier this week at the Chairman's direction; this is the "National Policy Council," a single Council with jurisdiction over all major national policy issues, composed of the President, Vice President, and Secretaries of State, Defense, Treasury, HEW and an Economic representative. The NPC can be thought of as an executive committee of the Cabinet, a device which, in effect, designates five members of the Cabinet as Super Secretaries. It, too, would be served by a single staff.

These various structures are compared against the criteria discussed above in Table 3.

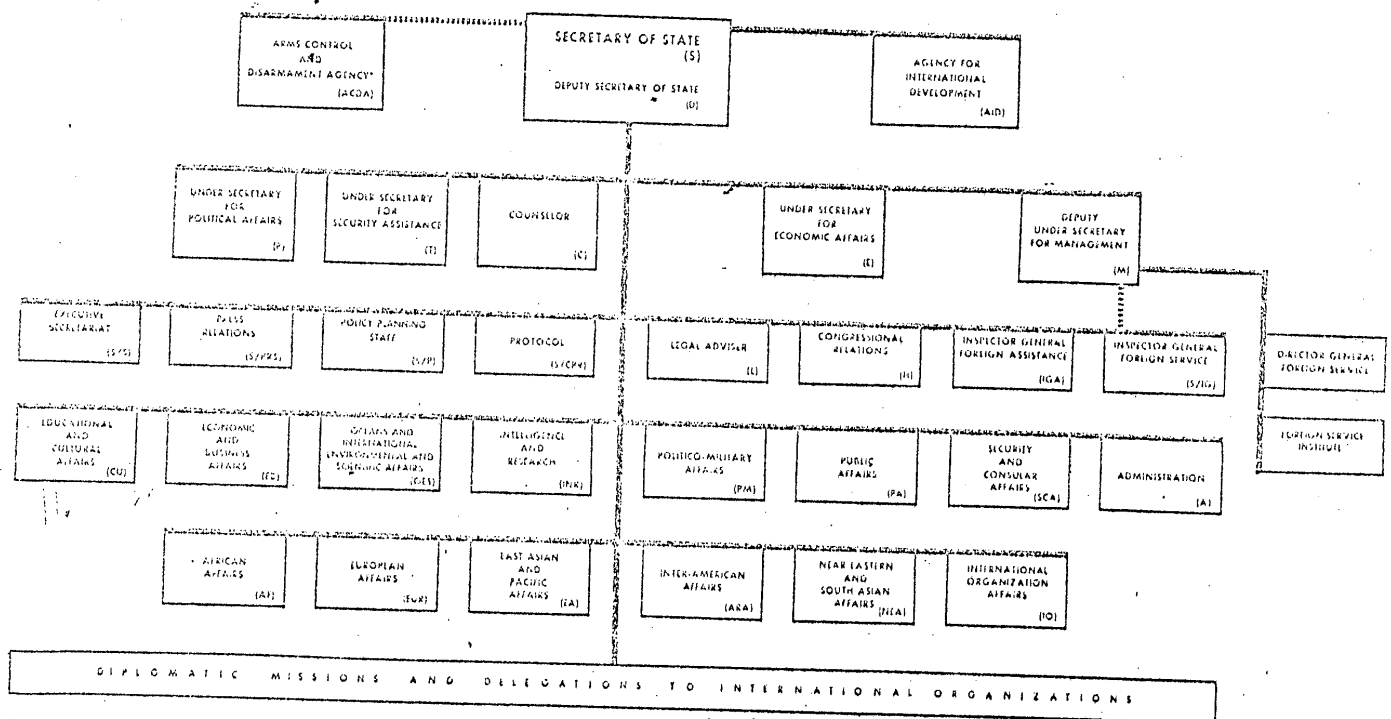
Caveats. Two points should be made about the choice of structures. The first is that providing for integration of policy at the presidential level can obviously be done in a variety of ways. None of the possibilities are fully satisfactory, and probably none of them are completely unworkable. Moreover, it is exactly at the level of the President that formal patterns of organization matter least. Presidents create whatever systems they like, and use them in ways which may or may not accord with their formal descriptions. As Dean Rusk has remarked, the structure of the government at the top is not what one sees on the charts but "how confidence flows down from the President." The Commission, therefore, might prefer in its Report not to make a single recommendation about White House structure but rather to identify two or three most attractive alternatives, to identify the strengths and weaknesses of each, and to indicate how the weaknesses of any system chosen might (and should) be offset. (It has been suggested, for example, that the tendency of key staff persons close to the President to lose their neutrality and to become powerful policy advisors in their own right, is so strong that all such positions should be limited to a two-year term.)

The second caveat concerning decisions about structure is that after they are made at the level of generality discussed here, the subject is far from exhausted. Further decisions of great importance remain. Three such decisions are: (1) whether the locus of initiative in the system should

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be at the departmental level or in the White House -- whether, that is, the issues brought to presidential attention should normally be those brought forward at the discretion of Cabinet members, or those which the President or his advisors have independently determined to require presidential attention. (2) Whether issues should be presented to the President after the greatest possible consensus has been reached at the departmental level, or with the widest range of options open for his own decisions. (The former was characteristic of President Johnson's style; the latter -- especially in the operation of the National Security Council in its early years -- was characteristic of President Nixon.) (3) Whether, in the interests of predictability and wide participation in decisions, the formal structure with its committees and subcommittees of fixed membership should be used to the utmost, or whether, in the name of flexibility and efficiency, ad hoc groups of key decision-makers should often be convened informally to provide more focused discussion and more timely decisions.

TABLE 1: DEPARTMENT OF STATE AS CURRENTLY ORGANIZED



* A separate agency with the director reporting directly to the Secretary and serving as principal adviser to the Secretary and the President on Arms Control and Disarmament.

TABLE 2: DEPARTMENT OF STATE AS EMERGING IN COMMISSION DELIBERATIONS

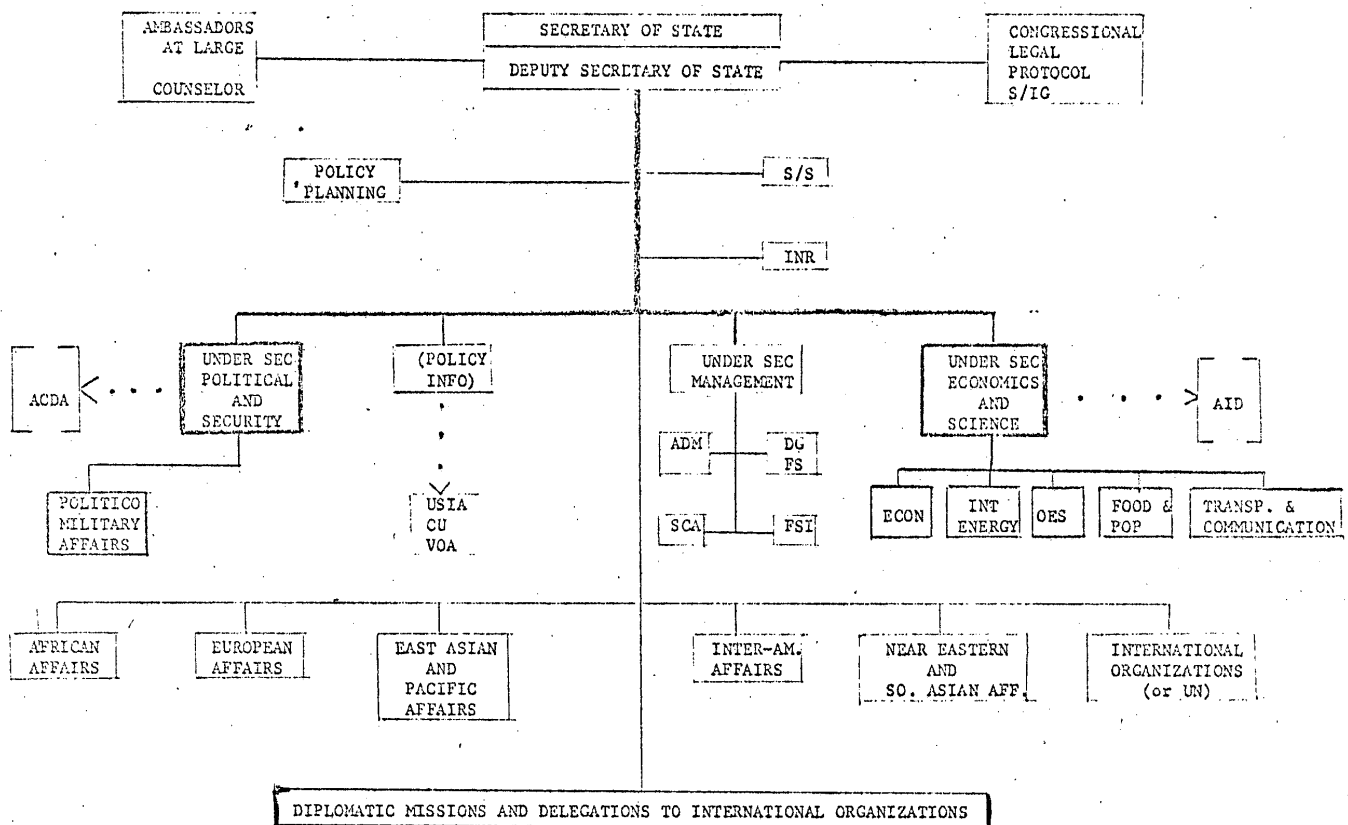


TABLE 3

ALTERNATIVE
STRUCTURES

C R I T E R I A

	<u>Reflects Breadth of Foreign Policy</u>	<u>Reflects Interaction of Foreign and Domestic</u>	<u>Limits W.H. Staff to Staff Functions</u>	<u>Degree of Concentration of Power below President</u>	<u>Manageability</u>
(3-Part Systems)					
1. Current System	poorly	poorly	yes	low	fair
2. NSC Expanded A	poorly +	poorly +	yes	low	fair
(2-Part Systems)					
NSC Expanded B	fairly well	poorly +	yes	moderate	fair
<u>VP-Foreign Affairs</u>	fairly well	very partially	no	high	good
First Secy.	well	partially	no	high	good
(Unitary)					
Cabinet	well	well	yes -	high	questionable
<u>Nat. Policy Council</u>	well	well	yes -	high	good

4. After considerable discussion of the seven options for White House councils and staffs presented in the Szanton memorandum, including the criteria on which they were weighted and the approach underlying each, the staff was instructed to develop and describe more fully two or three alternatives in the draft text of the Report. Although no votes were taken, the thrust of the discussion appeared to be that the most appropriate models for further development were one three-part system (NSC Expanded A), one two-part system (NSC Expanded B), and one unitary system (either Cabinet or National Policy Council). The view was expressed that since no commission could hope to control an issue so personal to a President as the organization of the White House itself, the Commission might not choose among these alternatives, but simply discuss the pros and cons of each, indicating also how the weak points of any one chosen might be offset.

5. The Commission must deal explicitly with the "two hatted" arrangement, whereby the positions of Secretary of State and Assistant to the President for National Security Affairs are held by one person, taking a position either pro or con, or at a minimum explicitly stating this as a matter for Presidential choice. There was support on both sides of the question of the desirability of the "two hatted" arrangement; the full Commission will need to address this further. In the view of most of those participating in the discussion, the issue turns on whether the admittedly quite different requirements of the two positions are sufficiently contradictory or sufficiently demanding to make it preferable for them to be held by two different individuals.

5/28/75

Summary List
Alternative Patterns of White House Organization

A. Three-part System

1. (Current) NSC, CIEP (or equivalent) and Domestic Council.
2. Same with Treasury on NSC.

B. Two-part System

1. NSC and Domestic Council
Economic Adviser Part on NSC staff
2. Vice President Foreign Affairs and Vice President Domestic Affairs
3. First Secretary
(Over State, Defense and Treasury)
and Domestic Council

C. One-part System

1. Cabinet
(with Cabinet staff combining present NSC,
Domestic Council and CIEP staffs)
2. National Policy Council
(President, Secretaries of State, Defense,
Treasury, HEW and Economic Representative)
(Executive Committee of Cabinet)
(Single, combined staff)

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